

SECOND REGULAR SESSION

SENATE BILL NO. 1399

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KENNEDY.

Read 1st time March 1, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

4861S.01I

AN ACT

To repeal section 379.938, RSMo, and to enact in lieu thereof one new section relating to renewability of health benefit plans.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 379.938, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 379.938, to read as follows:

379.938. 1. A health benefit plan subject to sections 379.930 to 379.952 shall be renewable with respect to all eligible employees and dependents, at the option of the small employer, except in any of the following cases:

- (1) Nonpayment of the required premiums;
- (2) Fraud or misrepresentation of the small employer or, with respect to coverage of individual insureds, the insureds or their representatives;
- (3) Noncompliance with the carrier's minimum participation requirements;
- (4) Noncompliance with the carrier's employer contribution requirements;
- (5) Repeated misuse of a provider network provision; or
- (6) **The small employer carrier elects to discontinue all or some of its health benefit plans delivered or issued for delivery to small employers in this state as part of a plan of administrative simplification provided that the small employer carrier, through itself or an affiliated carrier, guarantees issue of another health benefit plan in a similar class of business to those eligible employees and dependents covered under the discontinued plan and the small employer carrier, or its affiliated carrier providing such guaranteed issue, treats the impacted eligible employees and dependents as if they had continuous coverage from the date that they first became covered under the discontinued plan;**
- (7) The small employer carrier elects to nonrenew all of its health benefit plans

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

delivered or issued for delivery to small employers in this state. In such a case the carrier shall:

(a) Provide advance notice of its decision under this subdivision to the insurance supervisory official in each state in which it is licensed; and

(b) Provide notice of the decision not to renew coverage to all affected small employers and to the insurance supervisory official in each state in which an affected covered individual is known to reside at least one hundred eighty days prior to the nonrenewal of any health benefit plan by the carrier. Notice to the insurance supervisory official under this paragraph shall be provided at least three working days prior to the notice to the affected small employers;

[(7)] (8) The director finds that the continuation of the coverage would:

(a) Not be in the best interests of the policyholders or certificate holders; or

(b) Impair the carrier's ability to meet its contractual obligations.

In such instance the director shall assist affected small employers in finding replacement coverage.

2. A small employer carrier that elects not to renew a health benefit plan under subdivision (6) of subsection 1 of this section shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the director.

3. In the case of a small employer carrier doing business in one established geographic service area of the state, the provisions of this section shall apply only to the carrier's operations in such service area.

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